

AMENDMENT OF SOLICITATION/ MODIFICATION OF CONTRACT

2. AMENDMENT/MODIFICATION NO. See Attached List		3. EFFECTIVE DATE May 26, 2000	4. REQUISITION/PURCHASE REQ. NO.	5. PROJECT NO. (If applicable)
6. ISSUED BY Stephen E. Trautwein Corporate Administrative Contracting Officer P.O. Box 3707; M/S 13-05 Seattle, WA 98124-2207		CODE S4804A	7. ADMINISTERED BY (If other than Item 61 CODE)	
8. NAME AND ADDRESS OF CONTRACTOR (No., street, county, State and ZIP Code) The Boeing Company 7755 E. Marginal Way S. P.O. Box 3707 Seattle, Wa 98124-2207			(X)	9B. DATED (SEE ITEM 11)
			X	10A. MODIFICATION OF CONTRACT/ORDER NO. See Attached List
				10B. DATED (SEE ITEM 13)
CODE See Attached List		FACILITY CODE		

11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS

☐ The above numbered solicitation is amended as set forth in Item 14. The hour and date specified for receipt of Offers ☐ is extended, ☐ is not extended.
Offer must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation or as amended, by one of the following methods:

(a) By completing Items 8 and 16, and returning _____ copies of the amendment; (b) By acknowledging receipt of this amendment on each copy of the offer submitted; or (c) By separate letter of telegram which includes a reference to the solicitation and amendment numbers. FAILURE OF YOUR ACKNOWLEDGMENT TO BE RECEIVED AT THE PLACE DESIGNATED FOR THE RECEIPT OF OFFERS PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER. If by virtue of this amendment you desire to change an offer already submitted, such change may be made by telegram or letter, provided each telegram or letter makes reference to the solicitation and this amendment, and is received prior to the opening hour and date specified.

12. Accounting and Appropriation Date (If required)

No Change

13. THIS ITEM APPLIES ONLY TO MODIFICATIONS OF CONTRACTS/ORDERS, IT MODIFIES THE CONTRACT/ORDER NO. AS DESCRIBED IN ITEM 14.

(X) A. THIS CHANGE ORDER IS ISSUED PURSUANT TO: (Specify authority) THE CHANGES SET FORTH IN ITEM 14 ARE MADE IN THE CONTRACT ORDER NO. IN ITEM 10A.

X


C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY OF:

D. OTHER (Specify type of modification and authority)

E. IMPORTANT: Contractor ☒ is not, ☐ is required to sign this document and return _____ copies to the issuing office.

14. DESCRIPTION OF AMENDMENT/MODIFICATION (Organized by UCF section headings, including solicitation/contract subject matter where feasible.)
Administrative Modification removing certain provisions effecting what is commonly referred to as the "paid cost rule." The continuation language referenced MOA and Cage Code listing provide further detail as noted in the attached Item 14 Description (Cont.)

Except as provided herein, all terms and conditions of the document referenced in Item 9A or 10A, as heretofore changed, remains unchanged and in full force and effect.

15A. NAME AND TITLE OF SIGNER (Type or print)		16A. NAME AND TITLE OF CONTRACTING OFFICER (Type or print) Stephen E. Trautwein Corporate Administrative Contracting Officer	
15B. CONTRACTOR/OFFEROR	15C. DATE SIGNED	15B. UNITED STATES OF AMERICA BY 	16C. DATE SIGNED June 20, 2000
(Signature of person authorized to sign)		(Signature of Contracting Officer)	

NSN 7640-01-152-9070

PREVIOUS EDITION UNUSABLE

PerFORM (DLA)

STANDARD FORM 30 (REV. 10-83)
Prescribed by GSA
FAR (48 CFR) 53.243

14. Description of Amendment/Modification (Cont.)

The purpose of this modification is to remove what is commonly referred to as the "paid cost rule," which required large businesses to actually pay a subcontractor before including the payment in its billings to the Government. FAC 97-16 eliminated the paid cost rule restriction for all contracts awarded on or after May 26, 2000, the applicability date of FAC 97-16. This modification -is issued as a result of the execution of the MOA "Elimination of the Paid Cost Rule on existing contracts" executed on June 2, 2000, by and between The Boeing Company and the Defense Contract Management Agency.

This modification applies to all contracts that were awarded by DoD or NASA contracting activities prior to the applicability date of FAC 97-16 and that are being administered by the Defense Contract Management Agency (DCMA), unless otherwise noted. The United Space Alliance joint venture is specifically excluded from this modification.

The calculation methodology and a preliminary indirect cost adjustment as consideration for this change have been negotiated and agreed to by DCMA and The Boeing Company; however, this modification does not change any contract prices.

Elimination of the paid cost rule should not result in degradation of subcontractor payment timeframes. The Boeing Company shall continue to pay subcontractors in accordance with the terms and conditions of subcontracts and invoices and ordinarily prior to submission of the contractor's next payment request to the Government.

The paid cost rule provisions contained in the following clauses are hereby removed:

52.216-7 Allowable Cost and Payment (Apr 1998)

Paragraph (b)(1)(i) Those recorded costs that, at the time of the request for reimbursement, the Contractor has paid by cash, check, or other form of actual payment for items or services purchased directly for the contract;

52.232-7 Payments under Time-and-Materials and Labor-Hour Contracts (Feb 1997)

Paragraph (b)(2)...Reimbursable costs in connection with subcontracts shall be limited to the amounts paid to the subcontractor for items and services purchased directly for the contract only when cash, checks, or other form of payment has been made for such purchased items or services; however, this requirement shall not apply to a Contractor that is a small business concern.

52.232-16 Progress Payments (Jul 1991)

Paragraph (a)(2)(i) The costs of supplies and services purchased by the Contractor directly for this contract may be included only after payment by cash, check, or other form of actual payment.

52.216-26 Payments of Allowable Costs Before Definitization (Apr 1984)

Paragraph (d)(1) Those recorded costs that result, at the time of the request for reimbursement, from payment by cash, check, or other form of actual payment for items or services purchased directly for the contract;

(The above list is provided for illustrative purposes-differences may be found in individual contracts due to the use of earlier versions of the clauses or tailoring of the standard clauses.)

The paid cost rule provisions which have been removed from the clauses above, shall be replaced with the revised language contained in FAC 97-16.

While not incorporated as a part of the modification, it is intended that this modification comply with the provisions of the MOA referenced in the first paragraph of this modification.

All other items remain unchanged and in full force and effect.

AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT				1. CONTRACT ID CODE		PAGE OF PAGES 1 3	
2. AMENDMENT/MODIFICATION NO. <div style="text-align: center;">See Attached List</div>		3. EFFECTIVE DATE <div style="text-align: center;">See Block 16C</div>		4. REQUISITION/PURCHASE REQ. NO.		5. PROJECT NO. (If applicable)	
6. ISSUED BY <div style="text-align: center;">CODE</div> Defense Contract Management Agency 8725 John J. Kingman Road, Suite 4539 Ft. Belvoir, VA 22060-6221 Ms. Scott E. Clemons (703) 767-8128 Email: sclemons@dcma.hq.dla.mil		7. ADMINISTERED BY (If other than Item 6) CODE Various Cognizant DCMA Offices		8. NAME AND ADDRESS OF CONTRACTOR (No., street, county, State and ZIP Code) Lockheed Martin Corporation (LMC) Various Locations		9A. AMENDMENT OF SOLICITATION NO.	
						9B. DATED (SEE ITEM 11)	
						10A. MODIFICATION OF CONTRACT/ORDER NO. <div style="text-align: center;">See Attached List</div>	
						10B. DATED (SEE ITEM 13)	
CODE See Attached List		FACILITY CODE					

11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS

☐ The above numbered solicitation is amended as set forth in Item 14. The hour and date specified for receipt of Offers ☐ is extended. ☐ is not extended.

Offer must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation or as amended, by one of the following methods:

(a) By completing Items 8 and 15, and returning _____ copies of the amendment; (b) By acknowledging receipt of this amendment on each copy of the offer submitted; or (c) By separate letter or telegram which includes a reference to the solicitation and amendment numbers. FAILURE OF YOUR ACKNOWLEDGMENT TO BE RECEIVED AT THE PLACE DESIGNATED FOR THE RECEIPT OF OFFERS PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER. If by virtue of this amendment you desire to change an offer already submitted, such change may be made by telegram or letter, provided each telegram or letter makes reference to the solicitation and this amendment, and is received prior to the opening hour and date specified.

12. Accounting and Appropriation Data (If required)

No Change

13. THIS ITEM APPLIES ONLY TO MODIFICATIONS OF CONTRACTS/ORDERS, IT MODIFIES THE CONTRACT/ORDER NO. AS DESCRIBED IN ITEM 14.

☒ A. THIS CHANGE ORDER IS ISSUED PURSUANT TO: (Specify authority) THE CHANGES SET FORTH IN ITEM 14 ARE MADE IN THE CONTRACT ORDER NO. IN ITEM 14A.

☒

C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY OF:

D. OTHER (Specify type of modification and authority)


E. IMPORTANT: Contractor ☒ is not, ☐ is required to sign this document and return _____ copies to the issuing office.

14. DESCRIPTION OF AMENDMENT/MODIFICATION (Organized by UCF section headings, including solicitation/contract subject matter where feasible.)

The purpose of this modification is to remove what is commonly referred to as the "paid cost rule," which required large businesses to actually pay a subcontractor before including the payment in its billings to the Government. FAC 97-16 eliminated the paid cost rule restriction for all contracts awarded on or after May 26, 2000, the applicability date of FAC 97-16. This modification is issued as a result of the execution of the MOU "Elimination of the Paid Cost Rule on existing contracts" executed on May 4, 2000, by and between Lockheed Martin Corporation and the Defense Contract Management Agency.

(Continued on Page 2 of 2)

Except as provided herein, all terms and conditions of the document referenced in Item 9A or 10A, as heretofore changed, remains unchanged and in full force ☒ ☐ ☐

15A. NAME AND TITLE OF SIGNER (Type or print)		18A. NAME AND TITLE OF CONTRACTING OFFICER (Type or print) LOUIS G. BECKER DEFENSE CORPORATE EXECUTIVE	
15B. CONTRACTOR/OFFEROR <div style="text-align: center;">(Signature of person authorized to sign)</div>	15C. DATE SIGNED	18B. UNITED STATES OF AMERICA BY  <div style="text-align: center;">(Signature of Contracting Officer)</div>	18C. DATE SIGNED <div style="text-align: center;">6/11/00</div>

NSN 7540-01-152-0070

PREVIOUS EDITION UNUSABLE

PerFORM (DLA)

STANDARD FORM 30 (REV. 10-83)
Prescribed by GSA
FAR 148 CFR 53.243

CONTINUATION SHEET	REFERENCE NO. OF DOCUMENT BEING CONTINUED See Attached List	PAGE OF PAGE 2 of 2
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This modification applies to all contracts that were awarded by DoD or NASA contracting activities prior to the applicability date of FAC 97-16 and that are being administered by the Defense Contract Management Agency (DCMA), unless otherwise noted. The United Space Alliance is specifically excluded from this modification.

Consideration for this change has been negotiated and agreed to by DCMA and Lockheed Martin Corporation (LMC); however, this modification does not change any contract prices. Several contracts will be directly credited via a separate modification to the individual contracts identified.

LMC shall continue to pay subcontractors in accordance with the terms and conditions of subcontracts and invoices and ordinarily prior to submission of the contractor's next payment request to the Government.

The paid cost rule provisions contained in the following clauses are hereby removed:

52.216-7 Allowable Cost and Payment (Apr 1999)

Paragraph (b)(i)(i) Those recorded costs that, at the time of the request for reimbursement, the Contractor has paid by cash, check, or other form of actual payment for items or services purchased directly for the contract;

52.232-7 Payments under Time-and-Materials and Labor-Hour Contracts (Feb 1997)

Paragraph (b)(Z)... Reimbursable costs in connection with subcontracts shall be limited to the amounts paid to the subcontractor for items and services purchased directly for the contract only when cash, checks, or other form of payment has been made for such purchased items or services; however, this requirement shall not apply to a Contractor that is a small business concern.

52.232-16 Progress Payments (Jul 1991)

Paragraph (a)(2)(i) The costs of supplies and services purchased by the Contractor directly for this contract may be included only after payment by cash, check, or other form of actual payment.

62.216-26 Payments of Allowable Costs Before Definitization (Apr 1964)

Paragraph (d)(i) Those recorded costs that result, at the time of the request for reimbursement, from payment by cash, check, or other form of actual payment for items or services purchased directly for the contract;

(The above list is provided for illustrative purposes—differences may be found in individual contracts due to the use of earlier versions of the clauses or tailoring of the standard clauses.)

The paid cost rule provisions which have been removed from the clauses above, shall be replaced with the revised language contained in FAC 97-16.

While not incorporated as a part of the modification, it is intended that this modification comply with the provisions of the MOU referenced in the first paragraph of this modification.

All other items remain unchanged and in full force and effect.

AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT				1. CONTRACT ID CODE	PAGE 1 OF 2 PAGES
2. AMENDMENT/MODIFICATION NO. See Attached List		3. EFFECTIVE DATE 05/26/00	4. REQUISITION/PURCHASE REQ. NO. N/A	5. PROJECT NO. (If applicable)	
6. ISSUED BY DONALD P. SPRINGER DEFENSE CORPORATE EXECUTIVE 1840 CENTURY PARK EAST LOS ANGELES, CA 90067-2199		CODE	7. ADMINISTERED BY (If other than Item 6) CODE		
8. NAME AND ADDRESS OF CONTRACTOR (No. street, county, State and ZIP Code) NORTHROP GRUMMAN CORPORATION 1840 CENTURY PARK EAST LOS ANGELES, CA 90067-2199			9A. AMENDMENT OF SOLICITATION NO.		
			90. DATED (SEE ITEM 11)		
			10A. MODIFICATION OF CONTRACT/ORDER NO.		
			X SEE ATTACHMENT A		
CODE See Attached List			FACILITY CODE		

11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS

☐ The above numbered solicitation is amended as set forth in Item 14. The hour and date specified for receipt of Offers ☐ is extended, ☐ is not extended.
Offer must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation or as amended, by one of the following methods:

(a) By completing Items 8 and 15, and returning _____ copies of the amendment; (b) By acknowledging receipt of this amendment on each copy of the offer submitted; or (c) By separate letter or telegram which includes a reference to the solicitation and amendment numbers. FAILURE OF YOUR ACKNOWLEDGEMENT TO BE RECEIVED AT THE PLACE DESIGNATED FOR THE RECEIPT OF OFFERS PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER. If by virtue of the amendment you desire to change an offer already submitted, such change may be made by telegram or letter, provided each telegram or letter makes reference to the solicitation and this amendment, and is received prior to the opening hour and date specified.

12. Accounting and Appropriation Data (If required)

No Change

13. THIS ITEM APPLIES ONLY TO MODIFICATIONS OF CONTRACTS/ORDERS, IT MODIFIES THE CONTRACT/ORDER NO. AS DESCRIBED IN ITEM 14.

(X) A. THIS CHANGE ORDER IS ISSUED PURSUANT TO: (Specify authority) THE CHANGES SET FORTH IN ITEM 14 ARE MADE IN THE CONTRACT ORDER NO. IN ITEM 10A.

X.

C. MIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY OF:

D. OTHER (Specify type of modification and authority)

E. IMPORTANT: Contractor ☒ is not, ☐ is required to sign this document and return _____ copies to the issuing office.

14. DESCRIPTION OF AMENDMENT/MODIFICATION (Organized by UCF section headings, including solicitation/contract subject matter where feasible.)

The purpose of this modification is to remove what is commonly referred to as the "Paid Cost Rule," which required large businesses to actually pay a subcontractor before including the payment in its billings to the Government. FAC 97-16 eliminated the Paid Cost Rule restriction for all contracts awarded on or after May 26, 2000, by and between Northrop Grumman Corporation and the Defense Contract Management Agency.

Except as provided herein, all terms and conditions of the document referenced in Item 9A or 10A, as heretofore changed, remains unchanged and in full force and effect.

15A. NAME AND TITLE OF SIGNER (Type or print)		16A. NAME AND TITLE OF SIGNER (Type or print)	
		DONALD P. SPRINGER, DEFENSE CORPORATE EXECUTIVE	
		BY	
15B. CONTRACTOR/OFFEROR	15C. DATE SIGNED	16B. UNITED STATES OF AMERICA	16C. DATE SIGNED
(Signature of person authorized to sign)		(Signature of Contracting Officer)	05/19/00

NSN 7540-01-152-9076

PREVIOUS EDITION UNUSABLE

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STANDARD FORM 30 (REV. 10-83)
Prescribed by GSA
FAR (48 CFR) 53.243

CONTINUATIONSHEET	REFERENCE NO. OF DOCUMENT BEING CONTINUED SEE ATTACHMENT A	PAGE 2	OF PAGE 2
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This modification applies to **all** contracts **that** were **awarded** by **DoD** contracting **activities** prior to the applicability date of FAC 97-16 and **that** are being **administered** by the Defense Contract Management Agency (DCMA), **unless** otherwise noted.

Consideration for this change has **been** negotiated and **agreed** to by DCMA and Northrop Grumman Corporation (NGC); however, this modification **does not change** any **contract prices**.

Elimination **of** the paid cost rule should not **result** in **degradation** of subcontractor payment timeframes. NGC shall continue to pay subcontractors in accordance with **the terms** and conditions of subcontracts **and** invoices and ordinarily prior **to** submission of the contractor's **next payment** request to **the** Government.

The paid cost rule provisions contained in the **following** clauses are **hereby** removed:

52.2167 Allowable Cost and Payment (Apr 1998)

Paragraph (b) (1) (T) **Those recorded** costs that, at the time of **the** request for reimbursements **the** contractor has paid by cash, check, or other for of actual payment for items **or** services purchased directly for the contract;

52.232-7 Payments under Time-and-Materials and Labor-Hour Contracts (Feb 1997)

Paragraph (b) (2).. **Reimbursable** costs in connection with subcontracts shall be **limited** to the amounts paid to the subcontractor for **items** and services purchased directly for **the contract** only when cash, checks, or other form of **payment** has been made for such purchased **items** or services. However, this requirement shall **not** apply to a Contractor that is a small **business concern**.

52.232-16 Progress Payments (Jul 1991)

Paragraph (a) (2) **(I)** The costs of supplies and services **purchased** by the Contractor directly for this contract may be included only after payment by cash, **check**, or other form of **actual** payment.

52.216.26 Payments of Allowable Costs Before Definitization (Apr 1984)

Paragraph (d) (1) **Those** recorded costs **that result**, at the time of **the** request for **reimbursement**, from payment by cash, check, or other **form** of **actual** payment for items or **services purchased** directly for the contract;

(The above **list** is **provided** for **illustrative** purposes -- **differences** may **be** found in individual contracts **due** to the use of earlier **versions** of the clauses or tailoring of the standard clauses.)

The paid cost rule provisions which have been removed from the **clauses above**, shall be replaced with **the revised language contained** in FAC 97- 16.

While not **incorporated** as a part of the moditication, **it is** intended that this modification comply with **the** provisions of **the** MOU referenced in the first paragraph of this modification.

All other items remain unchanged and in **full force** and effect.

AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT				1. CONTRACT ID CODE	PAGE OF 1 2
2. AMENDMENT / MODIFICATION NO. See Attached List		3. EFFECTIVE DATE See 16c		4. REQUISITION/PURCHASE REQ. NO. 5.	
6. ISSUED BY CODE		S2205A		ADMINISTERED BY (If other than item 6) CODE See Attached List	
DEFENSE CONTRACT MANAGEMENT AGENCY, RAYTHEON 2 Wayside Avenue Burlington, Ma 01803-0901 Herbert W. Homer (781) 238-2461				Various DCMA Offices	
8. NAME AND ADDRESS OF CONTRACTOR (No. street, county, State and ZIP Code)				AMENDMENT OF SOLICITATION NO.	
Raytheon Company Various Locations				98. DATED (SEE ITEM 11)	
				10A. MODIFICATION OF CONTRACT/ORDER NO.	
				X See Attached List	
				10B. DATED (SEE ITEM 13)	
CODE See Attached List		FACILITY CODE		1	

1. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS

☐ The above numbered solicitation is amended as set forth in Item 14. The hour and date specified for receipt of ☐ is extended, ☐ is not extended.

Offer must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation or as amended, by one of the following methods:

(a) By completing items 8 and 15, and returning _____ copies of the amendment; (b) By ☒ acknowledging receipt of this amendment on each copy submitted; or (c) By separate letter or telegram which includes a reference to the solicitation and amendment numbers. FAILURE OF YOUR ACKNOWLEDGEMENT BE RECEIVED AT THE PLACE DESIGNATED FOR THE RECEIPT OF OFFERS PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER. If by virtue of this amendment you desire to change an offer already submitted, such change may be made by telegram or letter, provided such letter makes reference to the solicitation and this amendment, and is received prior to the opening hour and date specified.

12. Accounting and Appropriation Data (If required)

No Change

13. THIS ITEM APPLIES ONLY TO MODIFICATIONS OF CONTRACTS/ORDERS, IT MODIFIES ME CONTRACT/ORDER NO. AS DESCRIBED IN ITEM 14.

☒ A. THIS CHANGE ORDER IS ISSUED PURSUANT TO: (Specify Authority) THE CHANGES SET FORTH IN ITEM 14 ARE MADE IN THE CONTRACT ORDER NO. 1 ITEM

X B. THE ABOVE NUMBERED CONTRACT/ORDER IS MODIFIED TO REFLECT THE ADMINISTRATIVE CHANGES (such as changes in paying office, appropriation date, etc). SET FORTH IN ITEM 14, PURSUANT TO THE AUTHORITY OF FAR 43.103(b).

C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY OF;


D. OTHER (Specify type of modification and authority)

E. IMPORTANT: Contractor ☒ is not, ☐ is required to sign this document and return _____ copies to the issuing office.

14. DESCRIPTION OF AMENDMENT/MODIFICATION (Organized by UCF section headings, including solicitation/contract subject matter where feasible.)

This modification incorporates the Elimination of the Paid Cost Rule which was authorized by FAC 97-16 into existing contracts awarded by DOD for all CAGE Codes listed herein at no change in contract price and in accordance with the conditions included in the MOA between Raytheon and DCMA. Details for the consideration related to this change to existing DOD contracts and method of payment to the government are set forth in the MOA dated 31 May 00.

Except as provided herein, all terms and conditions of the document referenced in Item 9A or 10A, as heretofore changed, remains unchanged and in full force and effect.

15A. NAME AND TITLE OF SIGNER (Type or print)		15B. NAME AND TITLE OF CONTRACTING OFFICER (Type or print)	
		HERBERT W. HOMER Corporate Administrative Contracting Officer	
15B. CONTRACTOR/OFFEROR	15C. DATE SIGNED	UNITED STATES OF AMERICA	15D. DATE SIGNED
(Signature of person authorized to sign)			01 JUN 00
		(Signature of Contracting Officer)	

NSN 7540-01-152-9070

PREVIOUS EDITION UNUSABLE

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STANDARD FORM 30 (REV. 10-83)
Prescribed by GSA
FAR (48 CFR) 53.243

CONTINUATION SHEET	REFERENCE NO. OF DOCUMENT BEING CONTINUED See Attached List	PAGE OF PAGE 2 of 2
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This modification applies to all contracts between Raytheon Company and the Department of Defense (**DoD**) that are being administered by Defense Contract Management Agency (**DCMA**). Its purpose is to eliminate what is commonly referred to as the "Paid Cost Rule" **from** existing **DoD** and National Aeronautical Space **Administration** (NASA) contracts which were awarded prior to May 26, 2000.

Raytheon Company shall continue to pay its subcontractors and suppliers in accordance with the payment terms and conditions that are set forth in its subcontracts and invoices (normally requiring payment not later than 30 days after receipt of an applicable invoice), and ordinarily prior to the submission of the contractor's next billing request to the Government.

The primary purpose of the modification is to replace the existing Federal Acquisition Regulation (FAR) provisions regarding the "Paid Cost Rule" with the revised language that is contained in FAC 97-16. This revised language eliminates the "Paid Cost Rule" for the following contract clauses;

52.216-7 Allowable Cost and Payment. (Apr 1998)

Paragraph (b)(1)(i) Those recorded costs that, at the time of the request for reimbursement, the Contractor has paid by cash, check, or other form of actual payment for items or services purchased directly for the contract;

52.232-7 Payments under Time-and-Materials and Labor-Hour Contracts. (**Feb** 1997)

Paragraph (b)(2) - . . . Reimbursable costs in connection with subcontracts shall be limited to the **amounts** paid to the subcontractor for items and services purchased directly for the contract only when cash, checks, or other form of payment has been made for such purchased items or services; however, this requirement shall not apply to a Contractor that is a small business concern.

52.232-16 Progress Payments. (**Jul** 1991)

Paragraph (a)(2)(i) The costs of supplies and services purchased by the Contractor directly for this contract may be included only after payment by cash, check, or other form of actual payment.

52.2 16-26 Payments of Allowable Costs Before Definitization. (Apr 1984)

Paragraph (d)(1) Those recorded costs that result, at the time of the request for reimbursement, from payment by cash, check, or other form of actual payment for items or services purchased directly for the contract;

The above list is provided for illustrative **purposes—differences** may be found in individual contracts due to earlier versions or tailoring of the clauses.

This modification does not have any affect on the contract prices listed herein.